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August 30, 2018
VIA ECFS

Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

REDACTED – FOR PUBLIC INSPECTION

**Re: Notification of Oral *Ex Parte* Presentation
Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer Control
of Licenses and Authorizations; WT Docket No. 18-197**

Dear Ms. Dortch:

Pursuant to Section 1.1206(b) of the Commission's Rules, 47 C.F.R. § 1.1206(b), notice is hereby provided of an oral *ex parte* communication in the above-captioned docket. On August 28, 2018, G. Michael Sievert, President and Chief Operating Officer of T-Mobile US, Inc. ("T-Mobile"); Peter Ewens, Executive Vice President, Corporate Strategy of T-Mobile; and other representatives of T-Mobile and Sprint Corporation ("Sprint") and their controlling shareholders¹ (collectively, "Applicants") met with Erin McGrath, Legal Advisor, Wireless, Public Safety and International to Commissioner Michael O'Rielly; and Will Adams, Legal Advisor to Commissioner Brendan Carr; and in a separate meeting with the staff members of the FCC listed in Attachment A. During the meetings, the Applicants presented information in the deck appended hereto as Attachment B, which tracked the issues in Mr. Sievert's and Mr. Ewens declarations to the Public Interest Statement.²

¹ These representatives were David Carey, David Miller, Kathleen Ham and Cathy Massey of T-Mobile; Reinhard Wieck of Deutsche Telecom, Inc. ("DT"); Vonya McCann and Charles McKee of Sprint; Matthew Hendrickson, Skadden, Arps, Slate, Meagher & Flom LLP, and Regina M. Keeney, Lawler, Metzger, Keeney & Logan, LLC, who are counsel to Sprint; John Flynn, Jenner & Block LLP, who is counsel to SoftBank Group Corp.; and George Cary, Cleary Gottlieb Steen & Hamilton LLP, and Mike Senkowski and the undersigned, DLA Piper LLP, who are counsel to T-Mobile and DT. All of these representatives attended the meeting with the staff members listed in Attachment A; a subset of these representatives attended the meeting with Mr. Adams and Ms. McGrath.

² Declaration of G. Michael Sievert, President and Chief Operating Officer, T-Mobile US, Inc., App. C to Description of Transaction, Public Interest Statement and Related Declarations, WT Docket No. 18-197 (June 18, 2018); Declaration of Peter Ewens, Executive Vice President, Corporate Strategy, T-Mobile US, Inc., App. D to Description of Transaction, Public Interest Statement and Related Declarations, WT Docket No. 18-197 (June 18, 2018).



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In particular, Mr. Sievert and Mr. Ewens (“Executives”) reviewed the proposed business plan for New T-Mobile, how that plan was developed, and the economic incentives associated with that plan. The Executives first described the importance of T-Mobile’s Un-carrier approach, how it developed and how it permeates the company’s DNA. They noted that becoming the Un-carrier has enabled the company to differentiate itself and attract customers. New T-Mobile will continue this consumer-first approach, but the transaction is needed for the combined company to gain the scale and share to compete effectively in the rapidly changing marketplace.

The Executives emphasized that the company’s network is key to attracting and retaining customers. The New T-Mobile business plan is based on delivering superior network quality as well as value – beyond what any wireless consumers experience today. The combination of T-Mobile’s and Sprint’s complementary spectrum and tower assets enables the deployment of a broad and deep nationwide 5G network that will be able to deliver fiber-like speeds and offer tremendous capacity. In particular, the combined spectrum allows for accelerated refarming of spectrum to get to robust 5G faster. The combined sites enable expanded capacity through densification and thereby greater spectrum reuse. Moreover, site work done to transition the networks into one will enable the merged company to add additional 5G capacity at very low incremental cost. The result is a world-leading, fast and deep nationwide network with enormous capacity and a low cost per gigabyte.

Since the business plan’s objective is share growth, New T-Mobile’s plan (and economic incentive) is to lower prices, not raise them. The Executives emphasized that the merged company requires an aggressive pricing strategy combined with the best network to significantly expand the company’s market share. Prepaid and postpaid customers alike will benefit from this price strategy – as well as from the improved New T-Mobile network. In response to a question, the Executives stated that New T-Mobile will retain T-Mobile’s and Sprint’s current prepaid brands as they target different types of customers. Moreover, since New T-Mobile will be incented to fill its expansive capacity, it will offer attractive plans to MVNOs.

The Executives reviewed the synergy categories in the attached presentation, highlighting that these cost savings will enable the contemplated network improvements and business expansions. They noted that, while not all synergies will be realized immediately, the business plan calls for aggressive pricing from day one. The plan emphasizes expanding the customer base in areas and segments where T-Mobile lacks significant share today, including suburban and rural areas, the enterprise and government segment, and video and IoT services. New T-Mobile will be investing in these areas to gain share. The Executives expect that other competitors will respond, benefitting all consumers.



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New T-Mobile's scale, assets, and capacity will enable it to enter these new markets and segments. In particular, the merged entity intends to enter the in-home broadband marketplace with an attractive alternative to wired broadband at a lower price. The Executives explained that the merged entity will have sufficient capacity to offer an in-home product at a lower price than current offerings in over half of U.S. zip codes, bringing broadband choice to many consumers for the first time. In addition, the high quality of the network and competitive pricing of mobile plans will allow many more consumers may cut the cord and use New T-Mobile's mobile plans for both their mobile and in-home needs, thereby delivering significant additional savings to American consumers.

This filing contains information that is "Highly Confidential" pursuant to the Protective Order filed in WT Docket No. 18-197. Accordingly, pursuant to the procedures set forth in the Protective Order, a copy of the filing is being provided to the Secretary's Office. In addition, two copies of the Highly Confidential Filing are being delivered to Kathy Harris, Wireless Telecommunications Bureau. A copy of the Redacted Highly Confidential Filing is being filed electronically through the Commission's Electronic Comment Filing System.

Please direct any questions regarding the foregoing to the undersigned.

Respectfully submitted,

DLA Piper LLP (US)

/s/ Nancy Victory

Nancy Victory
Partner

NV

cc: Erin McGrath
Will Adams
Kathy Harris
Linda Ray
Kate Matraves
Jim Bird
David Krech
[Additional individuals listed in Attachment A]

FCC MEETING ATTENDEES

Thomas Johnson
Donald Stockdale
David Lawrence
Catherine Mataves
Charles Mathias
Ronald Repasi
Aalok Mehta
Aleks Yankelevich
Andrew Wise
Babette Boliek
Ben Freeman
Bill Dever
Brenda Villanueva
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Sara Mechanic
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Steven Carpenter
Thuy Tran
Weiren Wang
Ziad N. Sleem

ATTACHMENT B

PRESENTATION DECK

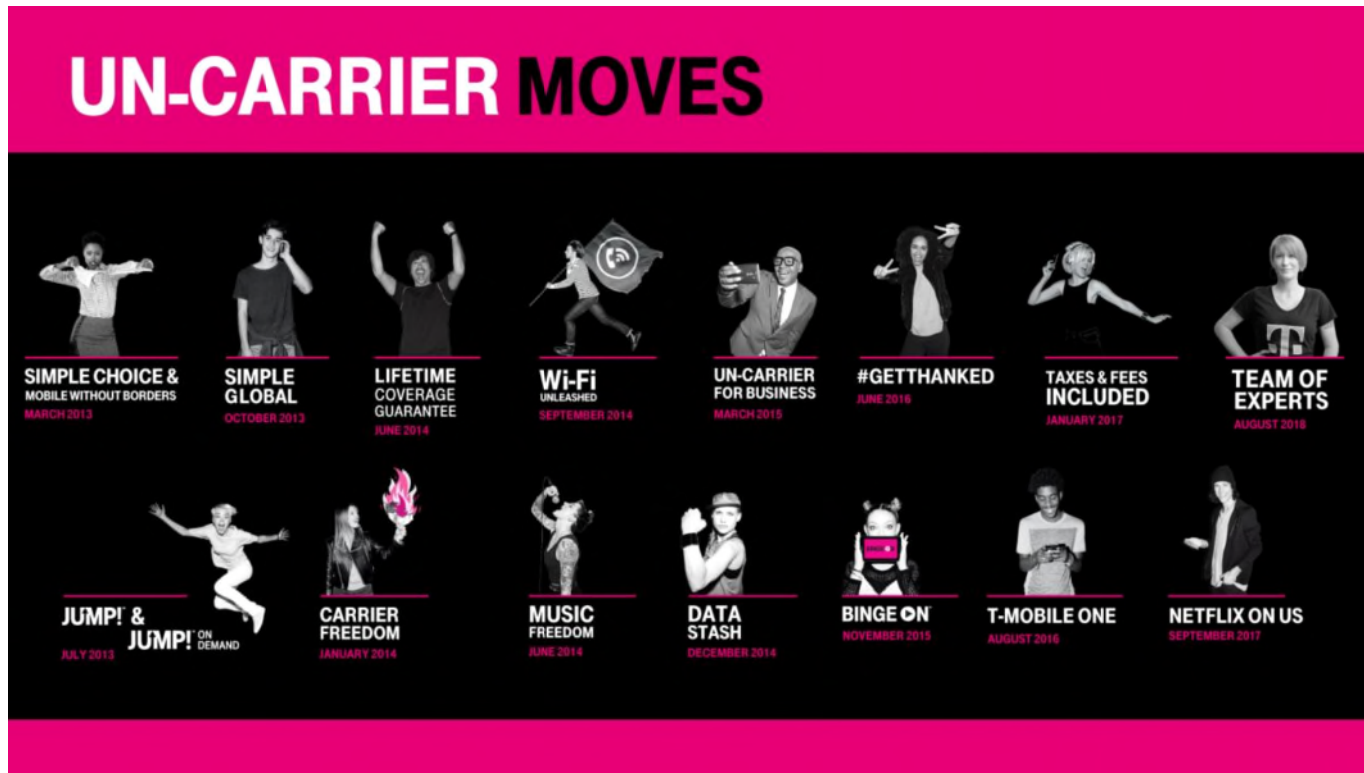
PROPOSED MERGER OF T-Mobile AND Sprint

Supercharging the Un-carrier

- Presentation of New T-Mobile's Business Case to the Federal Communications Commission
- Mike Sievert, President and Chief Operating Officer, T-Mobile US, Inc.
- Peter Ewens, Executive Vice President, Corporate Strategy, T-Mobile US, Inc.
- August 28, 2018

T-Mobile's Un-carrier Strategy Creates Massive Brand Value

- In 2013, T-Mobile reinvented itself as the Un-carrier
- Defined Un-carrier image around eliminating customer pain points



Today:

76%*

Overall satisfaction
Highest in the category

36*

Net Promoter Score
At an all-time high and highest
in category history

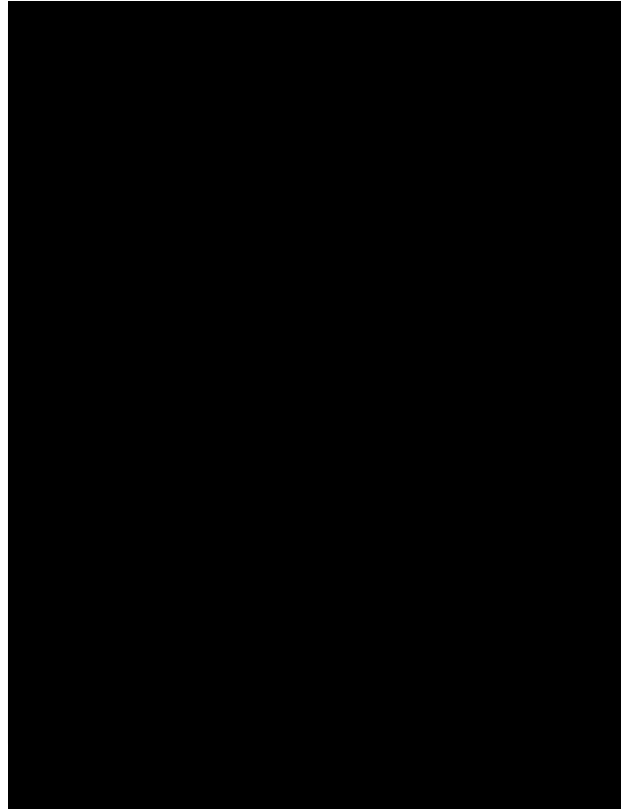
81%**

Brand Love
Our customers love us more
than our competitors'
customers love them

* Harris Mobile Insights (Q1 2018)

** Millward Brown Brand Tracker (Q1 2018)

Network Remains the Most Important Reason for Choosing a Carrier



Source: AT&T advertisement

- New T-Mobile's superior network will enable the company to supercharge the Un-carrier brand
- Customer perception of current T-Mobile and Sprint networks is biggest inhibitor to ongoing growth
- Perceptions of network inferiority explains why T-Mobile and Sprint have not been able to capture much of the approximately 2/3 combined share of wireless customers held by AT&T and Verizon despite aggressive competition

Combination Creates Unprecedented Opportunity to Invest in Disruptive 5G Network

EXTRAORDINARY WORLD LEADING NETWORK

- By 2024, New T-Mobile's network will have more than double the 5G capacity of the combined standalone networks and average throughputs 4-5x as compared to standalones
- Accelerated 5G deployment made possible by the transaction will help ensure U.S. leadership in the race to 5G

MASSIVE SYNERGIES & INVESTMENT

- The \$43.6B in synergies derived from complementary standalone assets are the heart of this deal; synergies will begin in 2020 and ramp up through 2023
- We will invest \$40B into the 5G network and business in the first three years

SUPERCHARGE THE UN-CARRIER

- 5G creates a unique opportunity for New T-Mobile to break through the perception that AT&T and Verizon are superior and unlock a group of previously unobtainable customers
- This is our moment to take truly significant share from AT&T and Verizon; we won't pass that up and settle for third place in a maturing industry

BRING NEW COMPETITION TO BROADBAND

- New T-Mobile will enter broadband and vigorously pursue share from the incumbents, who are among the most disliked companies in America
- New T-Mobile's 5G network will accelerate trend of millennials and low-income subscribers substituting wired cable connections with a purely wireless existence

UN-CARRIER DISRUPTION FOR NEW VERTICALS

- We plan on taking Un-carrier disruption beyond the wireless industry to new verticals like enterprise services, video content delivery, and IoT applications

New T-Mobile Business Plan*

- Methodology
- 5G as Foundation
- Increased Share
- Increased SoGA and Reduced Churn
- Increased Capacity and Usage
- Reduced ARPU
- Highlights of Business Plan
- New Growth Opportunities
- Jobs
- Synergies
- Summary

* All results presented in this section reflect current plans, which will necessarily be refined and adjusted over time

How We Developed New T-Mobile Business Plan



Vision for New T-Mobile – The Super-charged Un-carrier

- Building on successful brand platform
- Addressing limitations of standalone models
- Business logic & key operational assumptions



Disruptive Network Plan

- Developed a plan to bring the first, nationwide robust 5G network to consumers, created through massive investment and combined assets



Business and Financial Model to Fund Network & Business

- Built off baseline of Sprint and T-Mobile standalone plans
- Assessed cost savings and value creation
- Built model with synergies sufficient to enable New T-Mobile network



Business Plan to Grow Share & Utilize Network

- Living document
- Several refinements and iterations, reflected in iterative builds

5G is Foundation of New T-Mobile Business Plan

Creating America's Leading Mobile Internet Company



Build World Class 5G Network

- Provide broad and deep coverage through combination of T-Mobile's low-band spectrum & Sprint's mid-band spectrum
- Combination of site density and advanced network will expand capacity and reach through highest and best use of spectrum portfolio
- Accelerate refarming of both parties' spectrum as capacity is freed up allowing early transition to 5G



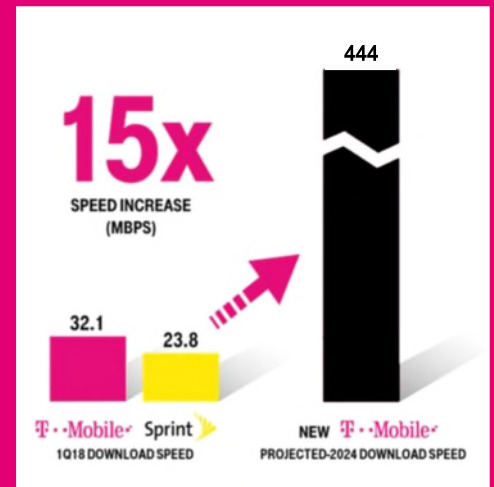
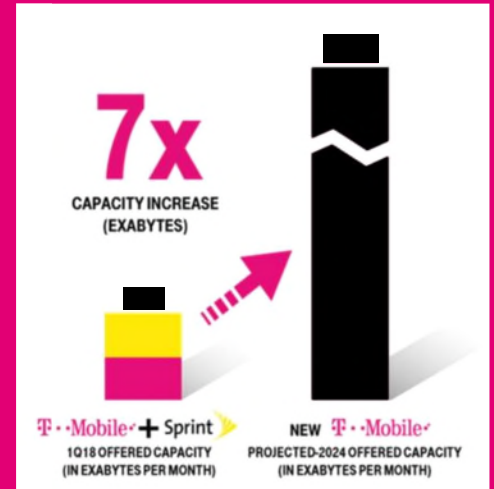
Attract Previously Unobtainable Customers

- Use massive new low-cost capacity to continue to disrupt as the Un-carrier
- Gain share among customers who previously refused to consider T-Mobile or Sprint due to poor network perceptions
- Expand customer choice in rural and enterprise segments while attracting and retaining wireless customers through value-driven bundled offers



Deliver Unrivaled Customer Experience

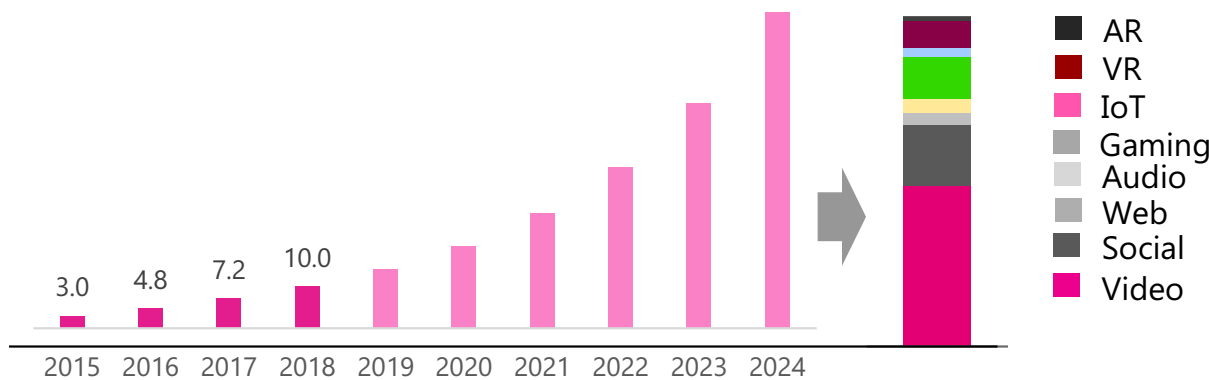
- Build largest wireless retail footprint and create a retail experience for the digital age
- Expand T-Mobile's industry leading customer service to Sprint with "team of experts" strategy
- Create leading digital experience enabling customers to buy when and how they want



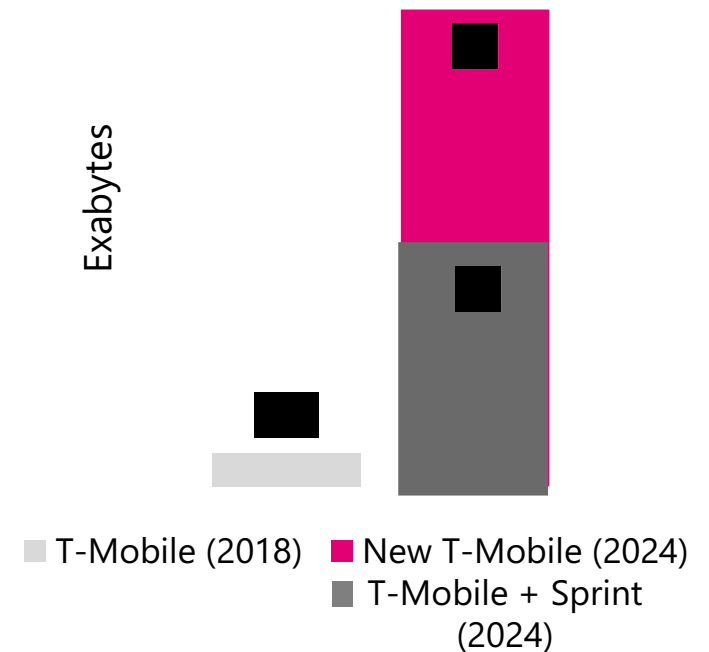
Our 5G Network Will Deliver Massive Expansion in Consumption

Continued surge in data consumption in 5G world will come from (1) richer user experience, (2) increased engagement time, and (3) additional methods of consumption

Usage per subscriber (GB/Month)

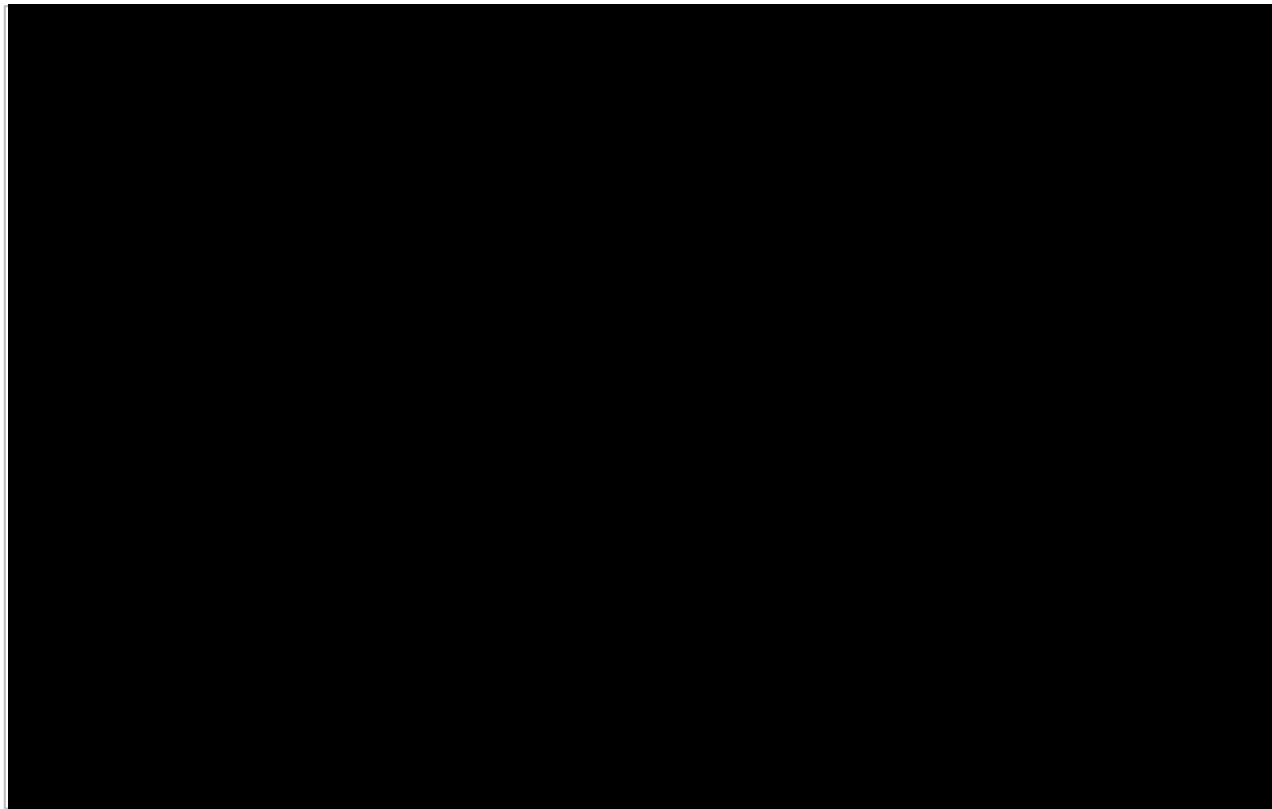


Network Mobile Payload

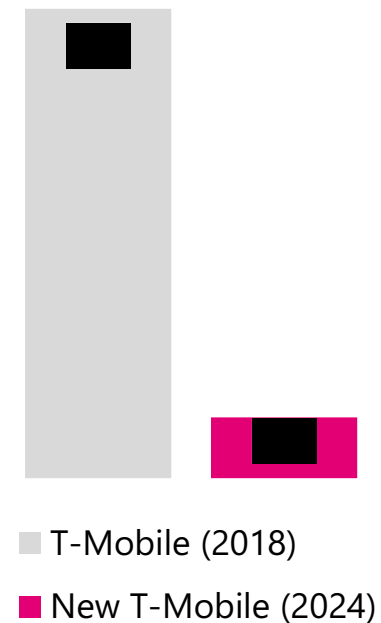


* 2015-2018 data represents blended usage based on all customers excluding M2M

New T-Mobile Voice ARPU < Standalones Voice ARPU



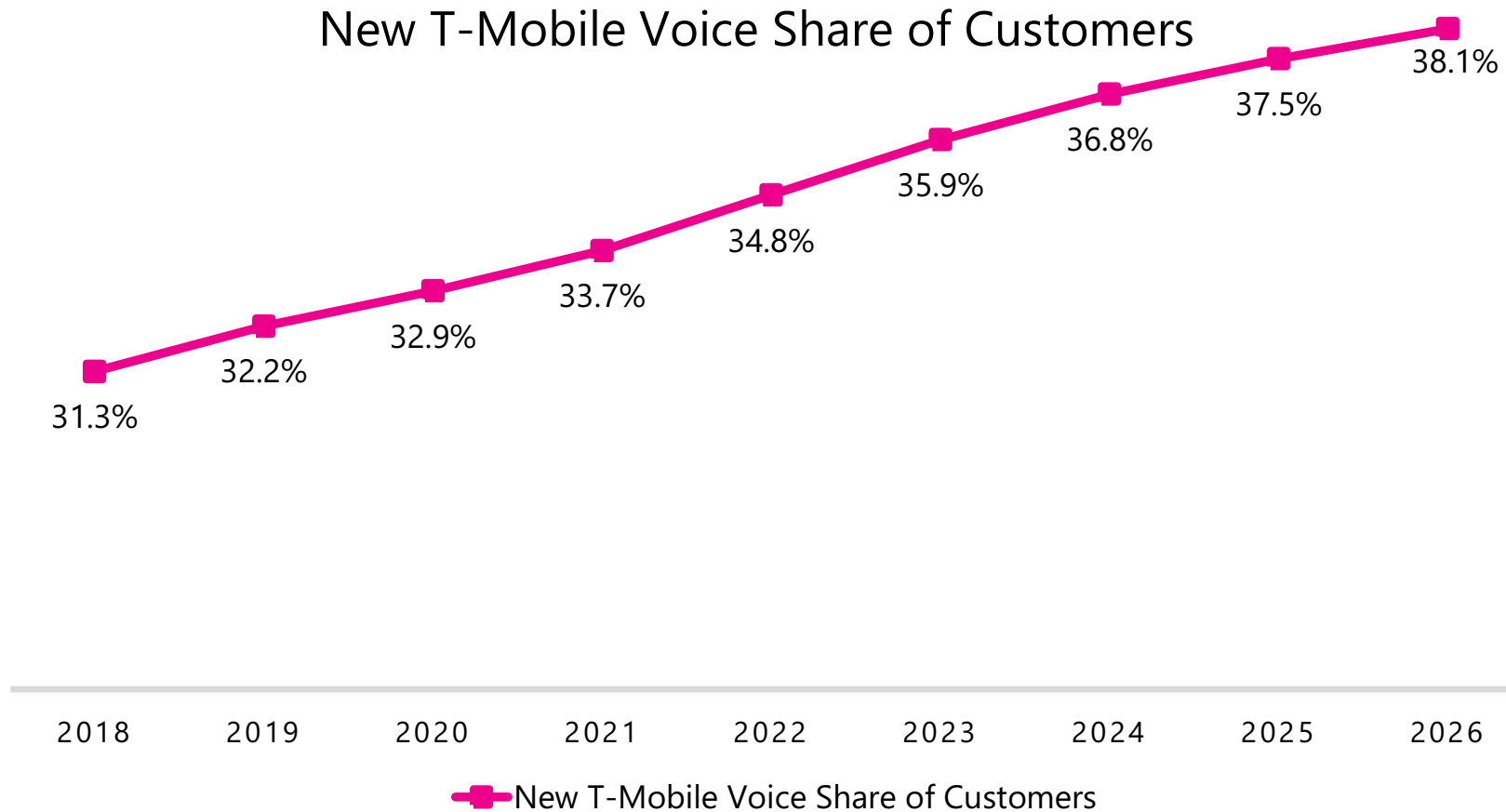
Mobile Revenue \$/GB



Pricing and capacity will result in massive reduction in \$/GB paid by consumers

- New T-Mobile will continue to pass the benefits of capacity upgrades on to customers at no added cost

New T-Mobile Will Compete Fiercely to Secure Growth



New T-Mobile will aggressively grow share as a result of better value proposition

— Incentivized to maximize customer base even before 5G network is launched

New T-Mobile Will Compete Strongly to Secure Growth

New T-Mobile will continue to add subscribers at the expense of AT&T, Verizon, and other competitors through lower prices, better quality, and new services



Pass on scale benefits and cost savings to consumers



Same or better price for better quality



Bring new competition to rural and enterprise segments



Compete aggressively with cable companies in wireless broadband and video

Prepaid Plans: Better Quality for Same or Better Price

- New T-Mobile prepaid customers will get better quality for a lower price on the same network
- New T-Mobile's massive capacity will benefit prepaid customers across the board by providing them more data at lower prices
- Increased ability to rely exclusively on mobile broadband, allowing budget constrained customers to save even more
- With increased capacity, New T-Mobile will have the ability to expand prepaid offerings and provide additional support for MVNOs



- Increased focus on value segment will challenge AT&T, Verizon and cable companies to increase competition for prepaid customers



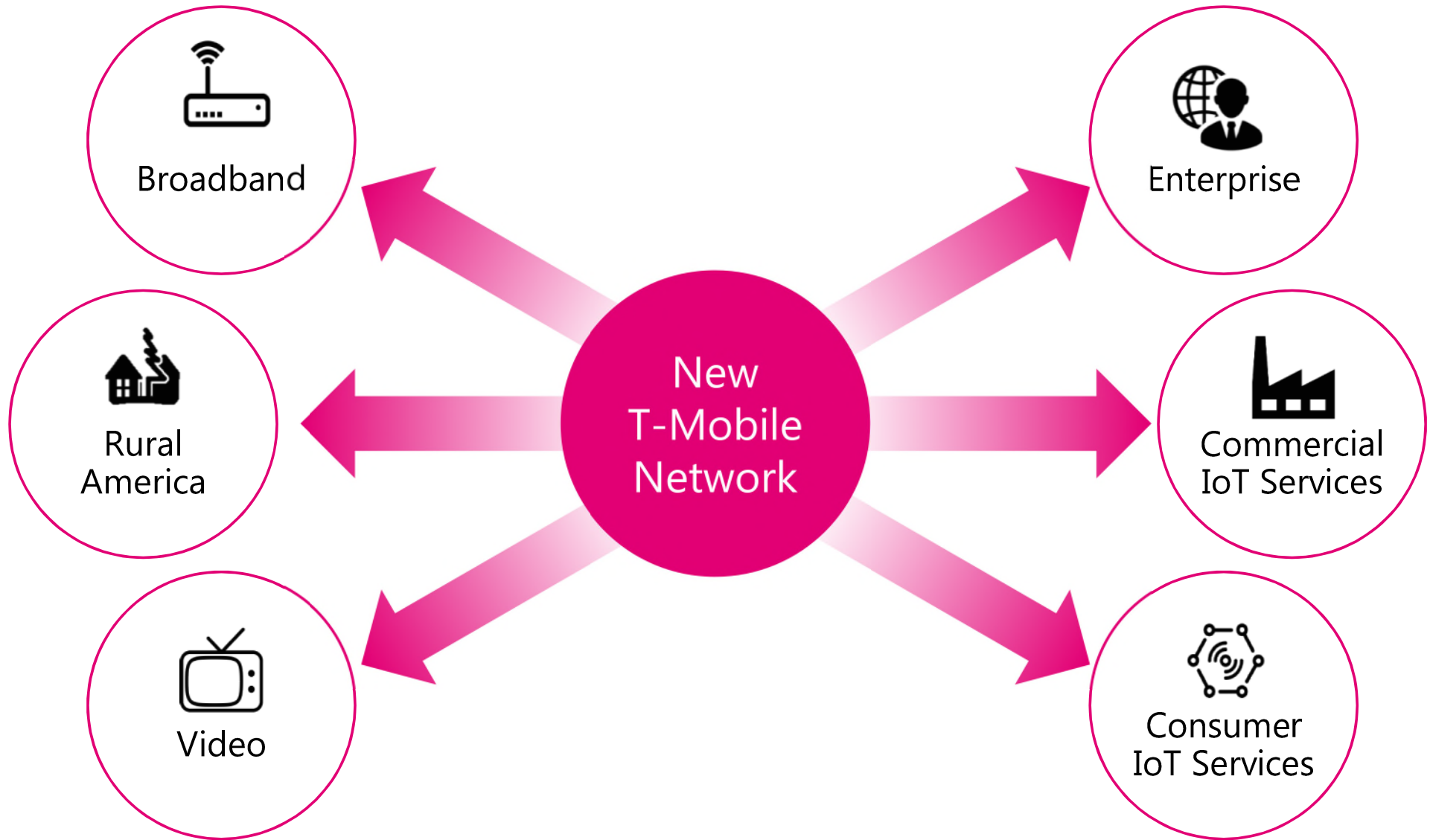
AT&T



- Compete in a crowded space with several brands including:



New T-Mobile Will Unlock Competition and Innovation



New T-Mobile Will Bring In-Home Broadband Competition



In-Home Broadband Competition

- Broadband consumers suffer from the same poor and costly service that were the hallmarks of the wireless industry before we unleashed the Un-carrier strategy

9%

Percentage of U.S. households do not have access to in-home broadband (25+ Mbps)

48%

Percentage of U.S. households lack a choice for in-home broadband (0 or 1 option)

79%

Percentage of U.S. households lack a choice for high-speed broadband (100+ Mbps)

90%

Percentage of the U.S. population the New T-Mobile's 5G network will deliver high-speed wireless broadband with speeds in excess of 100 Mbps by 2024

Achieving 66% by 2021

9.5M

Number of subscribers New T-Mobile is expected to provide broadband internet by 2024, making New T-Mobile potentially the fourth largest Internet service provider in the U.S. by subscribership

New T-Mobile Will Bring In-Home Broadband Competition



Broadband Substitution

- New T-Mobile's 5G network will provide speeds sufficient to support HD and 4K video streaming to tomorrow's handsets, tablets, desktops and other in-home and mobile screens
- New T-Mobile's 5G network will accelerate consumer trend towards meeting their entire broadband need through mobile wireless; trend is particularly pronounced in millennial and low-income consumers

19%

Percentage of U.S. households could meet their full home broadband needs through tethering in **2018**

35-40%

Percentage of U.S. households could meet their full home broadband needs through tethering by **2024**

- Customers who drop their in-home service and just use their unlimited plan can pocket the entire cost of their in-home broadband service every month

New T-Mobile Will Create Competition for Rural Customers



Closing the Digital Divide

31%

Current percentage of rural Americans lacking access to 25/3 Mbps broadband and about 60M rural Americans are at risk of being left behind as 5G wireless technologies arrive

20-25%

Percentage of New T-Mobile subscribers for in-home broadband in 2024 will be located in rural areas

- Combination of T-Mobile 600 MHz spectrum and Sprint 2.5 GHz spectrum and the breadth of new cell site infrastructure, with approximately [REDACTED] macro cell sites blanketing the country, creates a deep and broad 5G experience for rural customers

By
2024

- New T-Mobile will provide service to 59.4M outdoor and 31M indoor rural Pops out of 62M available rural Pops
- New T-Mobile will offer download speeds of 25 Mbps or greater to 52.2M Pops over 2.4M square miles to homes in rural America, corresponding to 84% of rural Pops

- New T-Mobile is expected to have ~ [REDACTED] higher incremental postpaid gross adds from rural areas than T-Mobile + Sprint standalone forecast in addition to video and broadband subscriber growth
- New T-Mobile will open 600 new stores and create over 12,000 jobs to serve rural areas and small towns
- New T-Mobile 5G will force AT&T, Verizon and others to invest in building out rural networks

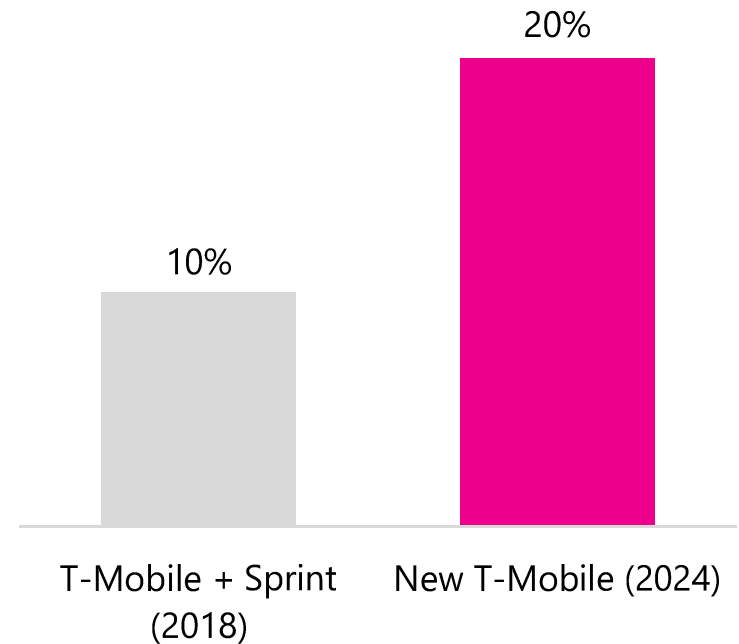
New T-Mobile Will Spark Competition for Enterprise Customers



Modernizing Wireless for Enterprise

- Competitors' current offerings are outdated (e.g., data pool pricing and expensive international roaming) and underperform in terms of network reliability, sales and support services, and enterprise-grade IoT platforms/products
- New T-Mobile 5G network reliability, in combination with Un-carrier pricing and service, will create differentiation in segment
- New T-Mobile is expected to increase enterprise sales by 110% compared to standalones and invest in creating tailored enterprise solutions

Share of Enterprise Customers



New T-Mobile Will Bring Un-carrier to T.V.



Disrupt T.V.

- After launching rebranded Layer3 T.V. offering, New T-Mobile will help [REDACTED] subscribers (versus [REDACTED] subscribers in standalone world) break up with their pay TV providers
- Using immense capacity and coverage of New T-Mobile 5G network, New T-Mobile will bring “wireless first” T.V. to urban and rural customers at 4K definition quality
 - Unlike the standalones, New T-Mobile will be able to offer the first wireless only bundle for T.V. + home internet
 - Ability to sell into 2x the customer base will accelerate scale benefits

T-Mobile acquired Layer3 to “build TV for the mobile age, and for the 5G era” and “to take the fight to Big Cable and Satellite TV on behalf of consumers everywhere!”

John Legere, T-Mobile CEO, Twitter (December 13, 2017)



New T-Mobile Will Accelerate and Foster Impending Innovation Cycle



Accelerate IoT

- T-Mobile's 5G network will make possible new and innovative IoT offerings due to:
 - fiber-like speeds
 - real-time interactivity
 - more consistent performance and user experiences
- The network's nationwide reach will enable nomadic IoT as well as advanced applications critically needed in small towns and rural communities (e.g., telemedicine and information-enabled agriculture)
- New T-Mobile's broad and deep network will create enormous capacity to support new and innovative uses, including private networks
 - These are opportunities T-Mobile has to turn down today
- The combined company's larger scale and higher profile in the enterprise segment will make it an attractive partner for commercial IoT ventures
- Absent the merger, there is significant risk that the lack of a sufficient network delays the widespread release of new and innovative technologies

An American Job Creator



More Jobs from Day One

New T-Mobile will employ more internal direct employees than the combined standalone companies from Day One.

	2019	2020	2021	2022	2023	2024
Direct Internal Incremental Jobs	3,625	3,755	5,045	5,010	8,115	11,060

Incremental increases for combined direct internal and external employees will be 9,600 jobs relative to the standalone companies' baselines for 2021.

NERA Economic Consulting estimates that the transaction should contribute an annual average of 24,960 new U.S. jobs in the five years following consummation.

CTIA estimated that 5G deployment will stimulate \$275 billion in investment, create millions of new U.S. jobs, and result in \$500 billion in economic growth.

-- *Analysis Mason (Apr. 2018)*

Cost Synergies Fund Network and Business Plan

New T-Mobile Will Achieve ~\$43B in Cost Synergies

Standalone T-Mobile is Not Positioned to Achieve Same Customer Benefits

T-MOBILE

NEW T-MOBILE

PRICE

- ARPU has stayed relatively flat over the last 2-3 years

- Massively increased capacity will lead to lower prices and increased share

CAPACITY

- Strategies to keep data consumption down
- Supporting growth in data demands per customer unsustainable
- Capacity constraints limit MVNO deals

- Deliver unprecedented coverage and capacity
- Reduce or eliminate data constraints for subscribers
- Enable more aggressive MVNO deals

5G INNOVATION

- Plans to utilize 600 MHz for 5G, meaning wide coverage but limited capacity

- Invest in robust, nationwide 5G network, delivering revolutionary consumer experience
- Accelerate industry-wide investment in 5G

BROADBAND COMPETITION

- Provide in-home broadband to less than █ customers by 2024
- Network limits impede customers' ability to cut the cord

- Provide in-home broadband to 9.5M customers by 2024
- Increase ability for customers to cut the cord (broadband substitution)

Thank You